

# SB1719



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB1719

Introduced 2/20/2015, by Sen. Chapin Rose

#### SYNOPSIS AS INTRODUCED:

70 ILCS 3610/5

from Ch. 111 2/3, par. 355

Amends the Local Mass Transit District Act. Provides that the Board of Trustees of every District shall have the authority to provide for insurance against any risk, hazard, or liability (rather than just any risk or hazard). Requires the Board of Trustees to provide for uninsured and underinsured motorist coverage.

LRB099 07547 AWJ 31054 b

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Local Mass Transit District Act is amended  
5 by changing Section 5 as follows:

6 (70 ILCS 3610/5) (from Ch. 111 2/3, par. 355)

7 Sec. 5. (a) The Board of Trustees of every District may  
8 establish or acquire any or all manner of mass transit  
9 facility. The Board may engage in the business of  
10 transportation of passengers on scheduled routes and by  
11 contract on nonscheduled routes within the territorial limits  
12 of the counties or municipalities creating the District, by  
13 whatever means it may decide. Its routes may be extended beyond  
14 such territorial limits with the consent of the governing  
15 bodies of the municipalities or counties into which such  
16 operation is extended.

17 (b) The Board of Trustees of every District may for the  
18 purposes of the District, acquire by gift, purchase, lease,  
19 legacy, condemnation, or otherwise and hold, use, improve,  
20 maintain, operate, own, manage or lease, as lessor or lessee,  
21 such cars, buses, equipment, buildings, structures, real and  
22 personal property, and interests therein, and services, lands  
23 for terminal and other related facilities, improvements and

1 services, or any interest therein, including all or any part of  
2 the plant, land, buildings, equipment, vehicles, licenses,  
3 franchises, patents, property, service contracts and  
4 agreements of every kind and nature. Real property may be so  
5 acquired if it is situated within or partially within the area  
6 served by the District or if it is outside the area if it is  
7 desirable or necessary for the purposes of the District.

8 (c) The Board of Trustees of every District which  
9 establishes, provides, or acquires mass transit facilities or  
10 services may contract with any person or corporation or public  
11 or private entity for the operation or provision thereof upon  
12 such terms and conditions as the District shall determine.

13 (d) The Board of Trustees of every District shall have the  
14 authority to contract for any and all purposes of the District,  
15 including with an interstate transportation authority, or with  
16 another local Mass Transit District or any other municipal,  
17 public, or private corporation entity in the transportation  
18 business including the authority to contract to lease its or  
19 otherwise provide land, buildings, and equipment, and other  
20 related facilities, improvements, and services, for the  
21 carriage of passengers beyond the territorial limits of the  
22 District or to subsidize transit operations by a public or  
23 private or municipal corporation operating entity providing  
24 mass transit facilities.

25 (e) The Board of Trustees of every District shall have the  
26 authority to establish, alter and discontinue transportation

1 routes and services and any or all ancillary or supporting  
2 facilities and services, and to establish and amend rate  
3 schedules for the transportation of persons thereon or for the  
4 public or private use thereof which rate schedules shall,  
5 together with any grants, receipts or income from other  
6 sources, be sufficient to pay the expenses of the District, the  
7 repair, maintenance and the safe and adequate operation of its  
8 mass transit facilities and public mass transportation system  
9 and to fulfill the terms of its debts, undertakings, and  
10 obligations.

11 (f) The Board of Trustees of every District shall have  
12 perpetual succession and shall have the following powers in  
13 addition to any others in this Act granted:

14 (1) to sue and be sued;

15 (2) to adopt and use a seal;

16 (3) to make and execute contracts loans, leases,  
17 subleases, installment purchase agreements, contracts,  
18 notes and other instruments evidencing financial  
19 obligations, and other instruments necessary or convenient  
20 in the exercise of its powers;

21 (4) to make, amend and repeal bylaws, rules and  
22 regulations not inconsistent with this Act;

23 (5) to sell, lease, sublease, license, transfer,  
24 convey or otherwise dispose of any of its real or personal  
25 property, or interests therein, in whole or in part, at any  
26 time upon such terms and conditions as it may determine,

1 with public bidding if the value exceeds \$1,000 at  
2 negotiated, competitive, public, or private sale;

3 (6) to invest funds, not required for immediate  
4 disbursement, in property, agreements, or securities legal  
5 for investment of public funds controlled by savings banks  
6 under applicable law;

7 (7) to mortgage, pledge, hypothecate or otherwise  
8 encumber all or any part of its real or personal property  
9 or other assets, or interests therein;

10 (8) to apply for, accept and use grants, loans or other  
11 financial assistance from any private entity or municipal,  
12 county, State or Federal governmental agency or other  
13 public entity;

14 (9) to borrow money from the United States Government  
15 or any agency thereof, or from any other public or private  
16 source, for the purposes of the District and, as evidence  
17 thereof, to issue its revenue bonds, payable solely from  
18 the revenue derived from the operation of the District.  
19 These bonds may be issued with maturities not exceeding 40  
20 years from the date of the bonds, and in such amounts as  
21 may be necessary to provide sufficient funds, together with  
22 interest, for the purposes of the District. These bonds  
23 shall bear interest at a rate of not more than the maximum  
24 rate authorized by the Bond Authorization Act, as amended  
25 at the time of the making of the contract of sale, payable  
26 semi-annually, may be made registerable as to principal,

1 and may be made payable and callable as provided on any  
2 interest payment date at a price of par and accrued  
3 interest under such terms and conditions as may be fixed by  
4 the ordinance authorizing the issuance of the bonds. Bonds  
5 issued under this Section are negotiable instruments. They  
6 shall be executed by the chairman and members of the Board  
7 of Trustees, attested by the secretary, and shall be sealed  
8 with the corporate seal of the District. In case any  
9 Trustee or officer whose signature appears on the bonds or  
10 coupons ceases to hold that office before the bonds are  
11 delivered, such officer's signature, shall nevertheless be  
12 valid and sufficient for all purposes, the same as though  
13 such officer had remained in office until the bonds were  
14 delivered. The bonds shall be sold in such manner and upon  
15 such terms as the Board of Trustees shall determine, except  
16 that the selling price shall be such that the interest cost  
17 to the District of the proceeds of the bonds shall not  
18 exceed the maximum rate authorized by the Bond  
19 Authorization Act, as amended at the time of the making of  
20 the contract of sale, payable semi-annually, computed to  
21 maturity according to the standard table of bond values.

22 The ordinance shall fix the amount of revenue bonds  
23 proposed to be issued, the maturity or maturities, the  
24 interest rate, which shall not exceed the maximum rate  
25 authorized by the Bond Authorization Act, as amended at the  
26 time of the making of the contract of sale, and all the

1 details in connection with the bonds. The ordinance may  
2 contain such covenants and restrictions upon the issuance  
3 of additional revenue bonds thereafter, which will share  
4 equally in the revenue of the District, as may be deemed  
5 necessary or advisable for the assurance of the payment of  
6 the bonds first issued. Any District may also provide in  
7 the ordinance authorizing the issuance of bonds under this  
8 Section that the bonds, or such ones thereof as may be  
9 specified, shall, to the extent and in the manner  
10 prescribed, be subordinated and be junior in standing, with  
11 respect to the payment of principal and interest and the  
12 security thereof, to such other bonds as are designated in  
13 the ordinance.

14 The ordinance shall pledge the revenue derived from the  
15 operations of the District for the purpose of paying the  
16 cost of operation and maintenance of the District, and, as  
17 applicable, providing adequate depreciation funds, and  
18 paying the principal of and interest on the bonds of the  
19 District issued under this Section.

20 (10) subject to Section 5.1, to levy a tax on property  
21 within the District at the rate of not to exceed .25% on  
22 the assessed value of such property in the manner provided  
23 in "The Illinois Municipal Budget Law", approved July 12,  
24 1937, as amended;

25 (11) to issue tax anticipation warrants;

26 (12) to contract with any school district in this State

1 to provide for the transportation of pupils to and from  
2 school within such district pursuant to the provisions of  
3 Section 29-15 of the School Code;

4 (13) to provide for the insurance of any property,  
5 directors, officers, employees or operations of the  
6 District against any risk, ~~or~~ hazard, or liability, and to  
7 self-insure or participate in joint self-insurance pools  
8 or entities to insure against such risk, ~~or~~ hazard or  
9 liability. Such coverage shall include, but is not limited  
10 to, uninsured or underinsured motorist coverage protecting  
11 against damages by an uninsured or underinsured motorist  
12 against property, directors, officers, employees,  
13 operations, and District vehicle passengers;

14 (14) to use its established funds, personnel, and other  
15 resources to acquire, construct, operate, and maintain  
16 bikeways and trails. Districts may cooperate with other  
17 governmental and private agencies in bikeway and trail  
18 programs; and

19 (15) to acquire, own, maintain, construct,  
20 reconstruct, improve, repair, operate or lease any  
21 light-rail public transportation system, terminal,  
22 terminal facility, public airport, or bridge or toll bridge  
23 across waters with any city, state, or both.

24 With respect to instruments for the payment of money issued  
25 under this Section either before, on, or after the effective  
26 date of this amendatory Act of 1989, it is and always has been

1 the intention of the General Assembly (i) that the Omnibus Bond  
2 Acts are and always have been supplementary grants of power to  
3 issue instruments in accordance with the Omnibus Bond Acts,  
4 regardless of any provision of this Act that may appear to be  
5 or to have been more restrictive than those Acts, (ii) that the  
6 provisions of this Section are not a limitation on the  
7 supplementary authority granted by the Omnibus Bond Acts, and  
8 (iii) that instruments issued under this Section within the  
9 supplementary authority granted by the Omnibus Bond Acts are  
10 not invalid because of any provision of this Act that may  
11 appear to be or to have been more restrictive than those Acts.

12 This Section shall be liberally construed to give effect to  
13 its purposes.

14 (Source: P.A. 93-590, eff. 1-1-04.)